Notice of Complaint

Arizonans for Charter School Accountability

August 12, 2020

EdKey Sequoia Choice School dba Arizona Distance Learning is illegally collecting ADM funds from the State of Arizona by enrolling private school students from Prenda Inc. they do not educate. EdKey hosts Prenda’s software on its online platform and instead of Prenda paying EdKey for the hosting services, EdKey simply claims the students as ADM and pays Prenda $4,000/pupil.

Prenda utilizes its own instructional software and student management system, not the educational program at EdKey:

*We know that there are thousands of trendy online programs. Some of them are great, some are not so great. We've saved you the trouble of sorting them all out and provide our students with high quality tools that provide individualized and adaptive learning paths. Some of the tools we use include:* [*Lexia*](https://www.lexialearning.com/) *(decoding, grammar, reading comprehension, spelling),* [*NoRedInk*](https://www.noredink.com/) *(grammar and writing),* [*Lightsail*](https://lightsailed.com/) *(reading comprehension),* [*Khan Academy*](https://www.khanacademy.org/) *(math),* [*Zearn*](https://about.zearn.org/?utm_campaign=homepage&utm_medium=native&utm_source=homepage) *(math),* [*Dreambox*](https://www.dreambox.com/) *(math), and our very own Treasure Hunt Reading (*[*beta*](http://treasurehunt.prenda.co/)*). Students also access PrendaWorld, our proprietary software that helps students manage their online tools, set goals, and hold themselves accountable. https://prendaschool.com/prenda-learning-model)*

EdKey is transferring half of its state funds to a private school that provides no services to EdKey.   Likewise, EdKey provides no programming, instruction, administration, or support to the Prenda students they enroll, they only host Prenda’s software. It is analogous to a district leasing a building to a private school and claiming those students as ADM- while paying the private school $4,000/pupil for leasing the buildings.

Prenda Inc. is a private school company that at one time charged parents $5,000/year to enroll their child in the company’s online “micro-school” program. Prenda’s micro-schools consist of 5-10 students in the home of an uneducated, uncertified Prenda employee called a “Learning Guide”.  Learning Guides make between $23,000 and $26,000 a year. When Prenda collects $4,000/ pupil in state funds from EdKey it leaves $14,000 to go to management and profits for each Prenda micro-school of 10 students.

The $4,000+ /pupil Prenda receives from state funds is significant – it is more than state payments to many school districts in Arizona.  For example, Scottsdale Unified only received $1,861/pupil from the state in 2019 and Phoenix Union received only $3,380/pupil.

Arizonans for Charter School Accountability can find nothing in state law or Board of Education rules that allows a charter school to claim private school students they do not educate as ADM for funding purposes.   An investigation is necessary to see if state funds have been misappropriated.

We are filing this complaint with the Arizona Department of Education, Arizona State Board for Charter Schools, The Auditor General, and the Attorney General.

Jim Hall

Arizonans for Charter School Accountability